

The Challenge of Network Service

INPUT Client Meeting
Wednesday, 25th April 1990
The London Marriott Hotel

INPUT[®]



Independent Maintenance Western Europe 1990-1995

INPUT
SEMKT-KH-5*

Notes



Customer Service Market—Europe

Independent
Maintenance
Vendors



1989 = \$1,435 Million

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Notes



The Challenge of Network Service

INPUT Europe

CE-SIN-1

Notes



Network Services

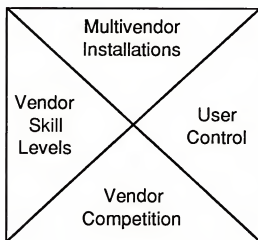
- Confused/badly defined market
- At least one-third of users do not have formal service contract
- Major user need is for uptime and access

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Notes



Network Service Environment



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Notes



Network Service

Skill Profile

Service	Importance Rating	
	Computer Systems	Networks
Consultancy	Medium	High
Environmental/ Installation Services	Medium	High
Project Management/ Implementation	Low	Medium

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CE-SIN-4

Notes



Network Service

Skill Profile

Service	Importance Rating	
	Computer Systems	Networks
Applications Support	Low	Medium
Systems Software Support	High	High
Equipment Maintenance	High	Low/ Medium

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Notes



Network Service

Market Drivers

- Increasing base
- New applications
- User service needs

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Notes



Network Service

Market Inhibitors

- >25% of users opt for self service
- User acceptance of service need
- Limited opportunities for traditional customer services

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Notes



Network Service

Market Growth, 1990-1995

Market	User Expenditure (\$ Millions)		CAGR (Percent)
	1990	1995	
Western Europe	220	580	22
U.S.	420	960	18

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Notes



Network Service

The User View

Computer Centre

Communications

Terminals

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Notes



Network Service

Key User Service Needs

- Network access
- Improved dealer expertise
- Flexible service offerings
- Single point contact

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Notes



Network Service

Systems Operations

- 30% of users provide in-house service
- <20% of users require vendor service
- Users reluctant to relinquish responsibility

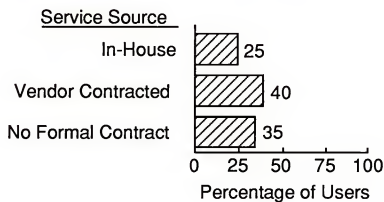
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Notes



Network Service

User Source of Network Service



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Key Vendor Issues

- Working in a multivendor environment
 - Equipment compatibility
 - Equipment connectivity
 - Definition of responsibilities

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Key Vendor Issues

- Compatibility of software
 - Revision levels
 - Old versus new
 - Multivendor software

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Notes



Key Vendor Issues

- Wider range of skills
 - Multivendor systems
 - Increased software orientation
 - Skill shortages

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Network Service

Wider Opportunities

Network Aspect	Customer Services Opportunity
Design	Consultancy
Project Management	Consultancy
Implementation	Project Management/Consultancy
Operations	Shared/Managed/Total

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Notes



Vendor Opportunity Network Disaster Recovery

- Continuation of user business activities
- Radical changes in business procedures—no backup
- Need for insurance expertise
- Market not yet defined

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Notes



Computer Equipment Disaster Recovery Market

Market	User Expenditure (\$ Millions)		CAGR (Percent)
	1990	1995	
Western Europe	180	550	25
U.S.	400	800	15

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Notes

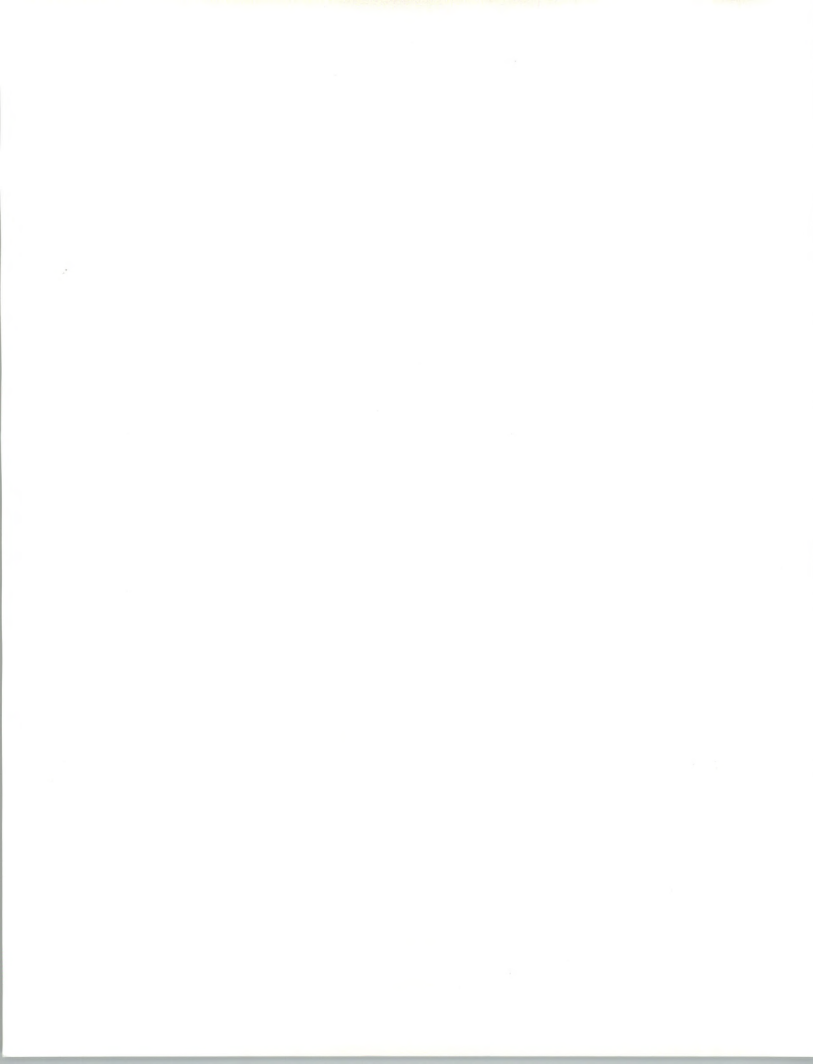


Network Implementation Challenges

1. User methodology
2. Definitions
3. Responsibility
4. Specifications

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Notes



Network Implementation Opportunities

- Consultancy
- Project management
- Integration
- Environmental services

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Network Service

Recommendations for Customer Service Vendors

- New skills
- Develop flexibility

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Notes



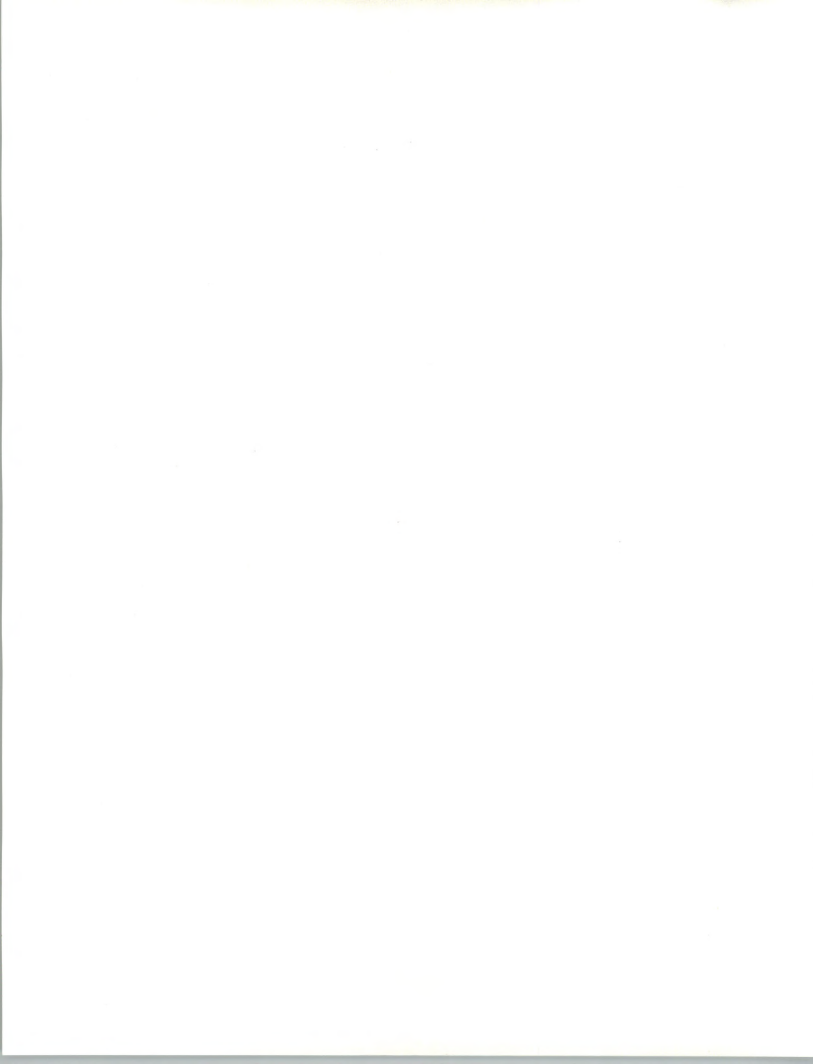
Network Service

Recommendations for Customer Service Vendors

- Uptime and access
- Promote services with product sales

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Notes



Recommendations for Network Services

- Tactical development
 - Multivendor opportunities
 - Consultancy/shared management
 - Disaster recovery
 - Training and skill levels

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INPUT provides planning information, analysis, and recommendations to managers and executives in the information processing industries. Through market research, technology forecasting, and competitive analysis, INPUT supports client management in making informed decisions.

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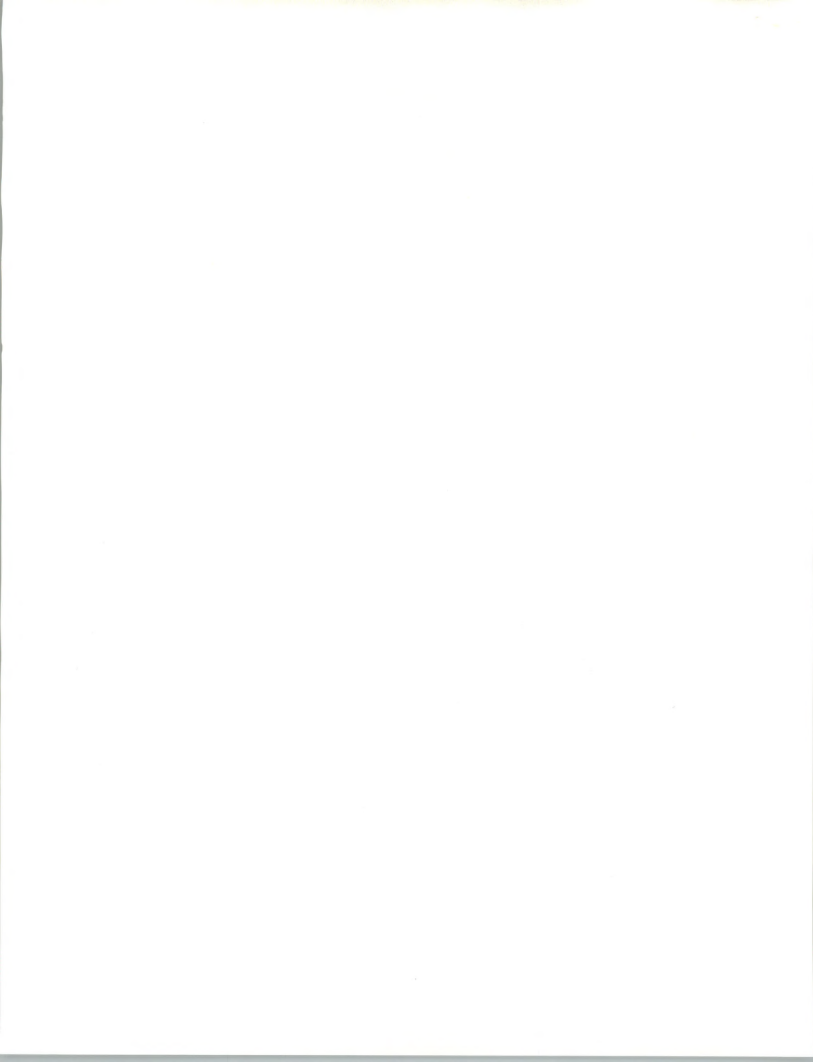
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ATTENTION : ANDREW JERIS

Telephone Number/Location _____

NUMBER OF PAGES: 1 of 3

CONFIDENTIAL CORRESPONDENCE YES _____ NO ☒

URGENT YES ☒ NO _____

DESCRIPTION

CORRECTIONS TO NETWORK PRESENTATION
SLIDES - ALL VERY MINOR.
MANY THANKS FOR QUICK RESPONSE,
HAVE ANF MISS REWIST THOUGH.
COULD I HAVE A CLEAN COPY (VIA FAX)
AFTER CORRECTIONS MADE ON THE WIRE
BEFORE END OF TODAY, REASON VISITING
CLIENT ON WED 11 APRIL AND MAY NEED
COPY Best Regards

FROM: KEN CARTER
DATE: 9 APRIL

INPUT
Project Charge Code: CE SIN

000000

The Challenge ^{of} in Network Service

INPUT Europe

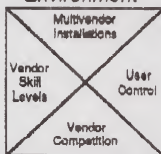
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Network Services

- Confused/badly defined market
- At least one-third of users do not have formal service contract
- Major user need is for uptime and access

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CE-84-4

~~Network Service~~ NETWORK SERVICE Environment



INPUT
CE-84-3

Network Service

Skill Profile

Service	Importance Rating	
	Computer Systems	Networks
Consultancy	Medium	High
Environmental/Installation Services	Medium	High
Project Management/Implementation	Low	Medium

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Network Service

Skill Profile

Service	Importance Rating	
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Applications Support	Low	Medium
Systems Software Support	High	High
Equipment Maintenance	High	Low/Medium

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Network Service

Market Drivers

- Increasing ~~service~~ base
- New applications
- User service needs

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Network Service

Market Inhibitors

- >25% of users opt for self service
- User acceptance of service need
- Limited opportunities for traditional customer services

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Network Service

Market Growth, 1990-1995

Market	User Expenditure (\$ Millions)		CAGR (Percent)
	1990	1995	
Western Europe	220	580	22
U.S.	420	960	~~18~~

INPUT
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CAGR's a bit high?

22% is OK
and due to
rounding

→ 21% W.E. } more
1.8% U.S. } accurate
2

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ATTENTION :

ANDREA JERVIS

Telephone Number/Location

NUMBER OF PAGES:

1 of 24

CONFIDENTIAL CORRESPONDENCE

YES

NO

URGENT

YES

NO

DESCRIPTION

ANDREA. ATTACHED IS SLIDE PRESENTATION
PRODUCED FROM CSIN REPORT. NEED
COMPLETED PACKAGE OF SLIDES
IN LONDON BY FRIDAY, 20 APRIL AT
VERY LATEST (EARLIER IS POSSIBLE PLEASE).
PRESENTATION DUE FOR CLIENT LUNCH
ON WED 25 APRIL.

MANY THANKS

Best Regards

JL

FROM:

KEN CARTER

DATE:

3 APRIL 1990

INPUT

Project Charge Code:

CSPE

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P. 2

THE CHALLENGE IN

NETWORK SERVICE

INPUT EUROPE

CE-SIN

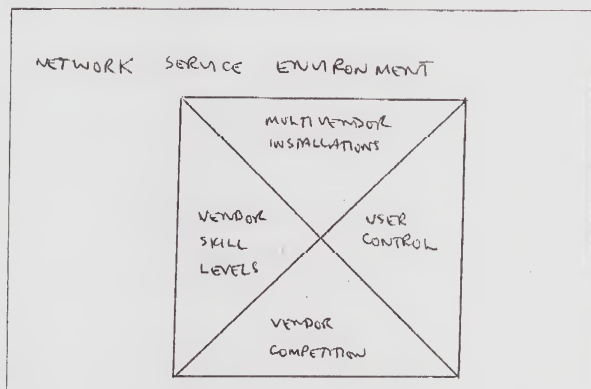
W-1-33

NETWORK SERVICES

- CONFUSED /BADLY DEFINED MARKET
- AT LEAST ONE THIRD OF USERS DO NOT HAVE FORMAL SERVICE CONTRACT
- MAJOR USER NEED IS FOR "UP-TIME" AND ACCESS

2





3



NETWORK SERVICE SKILL PROFILE

SERVICE	IMPORTANCE RATING	
	COMPUTER SYSTEMS	NETWORKS
CONSULTANCY	MEDIUM	HIGH
ENVIRONMENTAL/INSTALLATION SERVICES	MEDIUM	HIGH
PROJECT MANAGEMENT/IMPLEMENTATION	LOW	MEDIUM

4



NETWORK SERVICE SKILL PROFILE

SERVICE	IMPORTANCE RATING	
	COMPUTER SYSTEMS	NETWORKS
APPLICATIONS SUPPORT	LOW	MEDIUM
SYSTEMS SOFTWARE SUPPORT	HIGH	HIGH
EQUIPMENT MAINTENANCE	HIGH	LOW/MEDIUM

5



NETWORK SERVICE

MARKET DRIVERS

- INCREASING SERVICE BASE
- NEW APPLICATIONS
- USER SERVICE NEEDS

6

NETWORK SERVICE

MARKET INHIBITORS

- > 25% OF USERS OPT FOR SELF SERVICE
- USER ACCEPTANCE OF SERVICE NEED
- LIMITED OPPORTUNITIES FOR TRADITIONAL CUSTOMER SERVICES

7

NETWORK SERVICES

MARKET GROWTH 1990 - 1995

MARKET	USER EXPENDITURE (\$ MILLIONS)		CAGR (PERCENT)
	1990	1995	
WESTERN EUROPE	220	580	22
U.S.	420	960	20

8

NETWORK SERVICE

THE USER VIEW

COMPUTER CENTRE

COMMUNICATIONS

TERMINALS

9



NETWORK SERVICE

KEY USER SERVICE NEEDS

- NETWORK ACCESS
- IMPROVED DEALER EXPERTISE
- FLEXIBLE SERVICE OFFERINGS
- SINGLE POINT CONTACT

10

NETWORK SERVICE

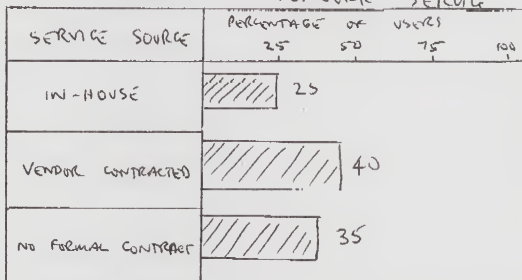
SYSTEMS OPERATIONS

- 30% OF USERS PROVIDE IN HOUSE SERVICE
- < 20% OF USERS REQUIRE VENDOR SERVICE
- USERS ~~WANT~~ RELUCTANT TO RELINQUISH RESPONSIBILITY

11

NETWORK SERVICE

USER SOURCE OF NETWORK SERVICE



12

KEY VENDOR ISSUES

- WORKING IN A MULTIVENDOR ENVIRONMENT
 - EQUIPMENT COMPATIBILITY
 - EQUIPMENT CONNECTIVITY
 - DEFINITION OF RESPONSIBILITIES

13



KEY VENDOR ISSUES

- COMPATIBILITY OF SOFTWARE
 - REVISION LEVELS
 - OLD VERSUS NEW
 - MULTIVENDOR SOFTWARE

14

KEY VENDOR ISSUES

- WIDER RANGE OF SKILLS
 - MULTIVENDOR SYSTEMS
 - INCREASED SOFTWARE ORIENTATION
 - SKILL SHORTAGES

15

NETWORK SERVICE

WIDER OPPORTUNITIES

NETWORK ASPECT	CUSTOMER SERVICES OPPORTUNITY
DESIGN	CONSULTANCY
PROJECT MANAGEMENT	CONSULTANCY
IMPLEMENTATION	PROJECT MANAGEMENT/CONSULTANCY
OPERATIONS	SHARED / MANAGED / TOTAL

16

VENDOR OPPORTUNITY NETWORK DISASTER RECOVERY

- CONTINUATION OF USER BUSINESS ACTIVITIES
- RADICAL CHANGES IN BUSINESS PROCEDURES - NO BACK UP
- NEED FOR INSURANCE EXPERTISE
- MARKET NOT YET DEFINED

17

COMPUTER EQUIPMENT
DISASTER RECOVERY MARKET

MARKET	USER EXPENDITURE (\$ MILLIONS)		CAGR (PERCENT)
	1990	1995	
WESTERN EUROPE	180	550	25
U.S.	400	800	15

13

NETWORK IMPLEMENTATION - CHALLENGES.

1. USER METHODOLOGY
2. DEFINITIONS
- 3 RESPONSIBILITY
- 4 SPECIFICATIONS

19

NETWORK IMPLEMENTATION — OPPORTUNITIES

- CONSULTANCY
- PROJECT MANAGEMENT
- INTEGRATION
- ENVIRONMENTAL SERVICES

20

NETWORK SERVICE

RECOMMENDATIONS FOR
CUSTOMER SERVICE VENDORS

- NEW SKILLS

NEW SKILLS

- DEVELOP FLEXIBILITY

21

NETWORK SERVICE

RECOMMENDATIONS FOR CUSTOMER
SERVICE VENDORS

- "UP-TIME" AND ACCESS
- PROMOTE SERVICES WITH PRODUCT
SALES

22

22



RECOMMENDATIONS FOR NETWORK SERVICES

- TACTICAL DEVELOPMENT
 - MULTIVENDOR OPPORTUNITIES
 - CONSULTANCY / SHARED MANAGEMENT
 - DISASTER RECOVERY
 - TRAINING AND SKILL LEVELS

23

